

Remarks/Arguments:

I. Status

The Office Action dated July 26, 2006 (the "Office Action"), has been carefully reviewed. Claim 18 has been canceled and claims 15 and 21 have been amended to more clearly define the invention. Claim 24 has been amended to clarify proper antecedent basis of recited elements and claim 19 has been amended to modify its dependency. Accordingly, claims 1-17 and 19-25 are pending in this application. Reconsideration of this application is respectfully requested.

II. 35 U.S.C. § 103 Rejection

Claims 1-3, 8-10 and 24 were rejected under 35 U.S.C. § 103(a) as being obvious over U.S. Patent Publication No. 2002/0143634 to Kumar et al. (hereinafter "Kumar") in view of U.S. Patent Publication No. 2005/0259797 to Swartz et al. (hereinafter "Swartz"). Claims 4-7, 15-17, 19-21 and 23 were rejected under 35 U.S.C. § 103(a) as being obvious over U.S. Patent Publication No. 2002/0147913 to Lun Yip in view of U.S. Patent Publication No. 2003/0010821 to Silberberg. Claims 11-14 and 25 were rejected under 35 U.S.C. § 103(a) as being obvious over Kumar in view of Swartz, Lun Yip and Silberberg. Claim 22 was rejected under 35 U.S.C. § 103(a) as being obvious over Lun Yip in view of Silberberg and Kumar. Reconsideration of these claims in view of the forgoing amendments and the following remarks is respectfully requested.

The Present Invention

The present invention comprises a system for supporting transactions billed to an account associated with a cellular telephone. A consumer selects products and presents them at a merchant's terminal where the products are identified to the terminal in the normal manner. In one non-limiting embodiment, the total amount of the transaction, a transaction code, and a payment processing center telephone number are presented to the consumer. The consumer then places a call to the payment processing center and enters the transaction code. At or about the same time, the merchant terminal sends merchant transaction data to the payment processing center over a different communications link.

A transaction record generator at the payment processing center receives consumer transaction data and merchant transaction data and correlates the two. The consumer transaction data may include, in addition to the transaction number, cellular phone identification such as the cellular phone number, an electronic serial number, a merchant identifier, and/or the transaction amount. The merchant transaction data includes the total amount of the transaction, and may further include a merchant identification code, and or a transaction identification code. The merchant identification code may identify the retailer, the particular store, a city and state, and/or terminal identification. Once the merchant transaction data and the consumer transaction data are correlated, a transaction record is generated that includes at least some of the merchant transaction data as well as at least some of the consumer transaction data.

The transaction record generator may then query a billing platform associated with the cellular phone to obtain approval for payment of the transaction. If approved, an

approval code is generated and transmitted to either the cellular phone and/or the merchant's terminal. The goods are then released to the consumer.

Kumar

Kumar discloses a wireless payment system. (Kumar at abstract). After products have been scanned, a customer gives a user identification code (User ID) to the merchant. (Kumar at paragraphs 38 and 45 and FIG. 3A step 302). The merchant uses a point of sale machine to transmit the User ID and transaction data to a Wireless Payment System (WPS) server. (Id. at paragraphs 38 and 45 and FIG. 3A steps 308 and 310). The WPS server verifies the received data and, "[i]f the verification is successful, WPS server 20 creates a transaction record." (Id. at paragraph 38).

Therefore, the system of Kumar generates a transaction record using information received from a merchant's terminal. At this point in the process, no information has been passed to the WPS server from the customer's cellular telephone. Additionally, the only customer unique data that has been transmitted to the WPS server is the "User ID." Kumar fails to identify what the "User ID" *is*, other than a means of identifying the particular individual. For example, the User ID may be a random numeric sequence. Nonetheless, the User ID is *customer* specific, not *transaction* specific.

After the transaction record is generated, the WPS server communicates with a bank computer. (Id. at paragraph 40 and FIG. 3B step 328). If the customer has sufficient funds or credit available, the bank computer approves the transaction. (Id. at paragraph 40 and FIG. 3B step 348). Therefore, no additional data is received from the merchant terminal prior to approval. Additionally, the transaction is approved prior to

any communication whatsoever between the customer's cellular telephone and any component in the system disclosed by Kumar.

After approval for the transaction has been obtained, Kumar discloses that transaction information is sent to the cellular telephone of the customer for acceptance or rejection of the bank approved transaction. (Id. at paragraphs 41 and 49 and FIG. 3B step 352). Accordingly, at paragraph 41, the customer confirms an intent to make a purchase by keying in "an affirmation code, such as the letter "Y" (phone keypad number "9") and keying in her PIN." (Kumar at paragraph 41). The letter "Y" is generic to any transaction. Likewise, the user's PIN is not unique to a specific transaction.

Thus, Kumar discloses a system wherein a transaction record is generated and approved prior to any link being established with a customer's cellular telephone. Only after the approval is obtained, is a link established with the customer's cellular telephone with the purpose of confirming the customer's request for approval of the transaction. This link originates at the WPS server, not the consumer's cellular telephone. Additionally, no transaction specific information is transmitted from the consumer's cellular telephone.

Discussion Re: Patentability of Claim 1

1. Claim 1

Claim 1, as previously amended, recites:

A system for supporting consumer transactions billed to an account through a cellular telephone comprising:
a merchant data receiver for receiving merchant transaction data from a merchant terminal at a transaction site;
a consumer data receiver for receiving consumer transaction data from a cellular telephone of a consumer at the transaction site; and

a transaction processor for processing the merchant transaction data and the consumer transaction data to access a financial account so that approval for a transaction at the transaction site may be obtained and for generating a transaction record using the merchant transaction data and the consumer transaction data.

Claim 1 thus recites a transaction processor that processes two received inputs from two different devices, that is, a merchant transaction related input from a *terminal* and a customer transaction related input from a *cellular phone*, to generate a transaction record which is used to access a financial account.

2. There is No Motivation for the Proposed Modification

The Examiner admitted that Kumar fails to disclose each element of claim 1 but alleged that the missing element could be found in Swartz. (Office Action at page 4). Because there is no motivation for the proposed combination the rejection should be withdrawn.

Specifically, the Examiner has alleged that the motivation to combine the teachings of Kumar with the teaching of Swartz is “to record and to bill the customer.” (Office Action at page 4). The system of Kumar as disclosed, however, already provides for both recording a transaction and billing the customer. At paragraph 43 of Kumar, the transaction is approved and a receipt is generated. “This completes the transaction and customer 50 walks away happily.” (Kumar at paragraph 44). Thus, the transaction has been recorded (the receipt) and the customer has been billed.

Therefore, while motivation to combine references may be found in an advantage arising from the combination, there can be no advantage from the proposed combination when the alleged advantage is *already achieved* in the system which the Examiner

proposes to modify. Accordingly, the Examiner has failed to identify a legally cognizable motivation for the combination of Kumar and Swartz.

3. The Proposed Modification Fails to Arrive at Claim 1

Moreover, even if the system of Kumar is modified with the teachings of Swartz, the proposed modification fails to arrive at the invention recited in claim 1. Specifically, the Examiner has proposed modifying the manner in which a transaction record is generated in Kumar with the approach disclosed by Swartz. (Office Action at page 4). As described by the Examiner, “merchant transaction data” is transmitted to the store computer “from the portable terminal.” (Office Action at page 3). Since the Examiner has posited that the portable communication terminal ID is “customer data” (see Office Action at page 4), it follows that the “portable terminal” is equated to the recited “cellular telephone of the customer.” Therefore, the “merchant transaction data” of Swartz is transmitted *from the customer’s device*.

Additionally, as further described by the Examiner, Swartz discloses that “customer transaction data such as the portable communication terminal ID” is given to a cashier. (Office Action at page 4 and Swartz at paragraph 46). Swartz states, however, that the communication terminal ID is transmitted to the store computer “via the communication link 3.” Therefore, the “customer data” of Swartz is transmitted *from the merchant terminal*.

In contrast, claim 1 recites the generation of a transaction record from *customer data* transmittal from the *customer’s* cellular telephone and from *merchant data* transmittal from the *merchant’s* terminal. This is the opposite of the manner of

transmission of Swartz. Thus, Swartz fails to teach, suggest or disclose a transaction record generated in the manner recited by claim 1.

Moreover, the invention of Swartz is not of the type where either of the data may be transmitted on either of the communication links. Rather, Swartz *requires* the merchant data to be transmitted by the portable device. This is because the invention of Swartz is specifically directed to using the portable device to scan items to alleviate the need to scan the items at the checkout register. (See, e.g., Swartz at paragraph 9). Changing the data and the links of Swartz would eviscerate the invention of Swartz.

Because the proposed combination fails to recite each limitation of claim 1, the proposed combination of Kumar and Swartz fails to arrive at the invention of claim 1. Therefore, under MPEP § 2143.03, the Examiner has failed to present a *prima facie* case of obviousness and the rejection of claim 1 under 35 U.S.C. 103(a) should be withdrawn.

4. Swartz Has Been Mischaracterized

Furthermore, the Examiner alleges that the store computer of Swartz generates a transaction record from the received “customer data” and “merchant data” citing to paragraphs 46 and 50 of Swartz. (Office Action at page 4). The Examiner has mischaracterized Swartz.

Specifically, at paragraph 46, the “customer data” and “merchant data” is disclosed as being used to “provide the cashier with the customer’s checkout file.” (Swartz at paragraph 46). As further described by Swartz, the “checkout file” generated at step 173 of FIG. 8 includes price and product information for scanned items, security verifications and promotional pricing data. (Swartz at paragraph 46 and FIG. 8, block

173). The “checkout file” is not, however, described as including any information which identifies an account which can be queried for payment approval. Rather, Swartz discloses that *after* the checkout file is sent to the cashier, security checks are performed (block 174) and corrections are made to the pricing information based upon coupons (block 178) and only then is a “final bill” calculated. (Swartz at paragraph 46 and FIG. 8, block 179).

Therefore, to the extent a transaction record is generated, it would appear that the record is generated at block 180 when “the cashier accepts the customer’s payment and records it onto the store computer via link 3.” (Swartz at paragraph 46). Swartz fails to teach, suggest or disclose, however, what information is used to generate any such transaction record or that *any* of the information is received from a consumer data receiver, much less customer data.

Likewise, paragraph 50 fails to teach, suggest or disclose a transaction record as recited in claim 1. Specifically, the Examiner has cited to the “suspend transaction record” disclosed in paragraph 50 of Swartz as disclosing the claimed transaction record. The suspended transaction record disclosed in paragraph 50, however, is merely the nascent form of the checkout file. Thus, the suspended transaction record is merely used, if at all, to identify for the cashier the items that have been scanned by the customer.

Therefore, because the checkout files of Swartz are not used to access a financial account, the checkout files are not transaction records as recited in claim 1. Accordingly, the proposed combination fails to arrive at the invention of claim 1. Therefore, under MPEP § 2143.03, the Examiner has failed to present a *prima facie* case of obviousness and the rejection of claim 1 under 35 U.S.C. 103(a) should be withdrawn.

5. Conclusion

Therefore, for any or all of the above reasons, a *prima facie* case of obviousness has not been established with respect to claim 1. Accordingly, the Examiner is respectfully requested to withdraw this rejection of claim 1.

Discussion Re: Patentability of Claims 2 and 3

Claims 2 and 3 depend from claim 1 and include the limitations discussed above with respect to claim 1 and additional limitations. Claims 2 and 3 were also rejected based upon a combination of Kumar and Swartz. Accordingly, for at least the same reasons set forth above with respect to claim 1, claims 2 and 3 are patentable over the prior art.

Discussion Re: Patentability of Claim 8

Claim 8, as amended, recites:

A system for supporting transactions billed to an account associated with a cellular telephone comprising:
a merchant terminal for generating and sending merchant transaction data over a first communication link;
a consumer data receiver for receiving over a second communication link consumer transaction data from a cellular telephone at the transaction site; and
a transaction processor for processing the merchant transaction data and the consumer transaction data to access a financial account so that approval for a transaction at the transaction site may be obtained and for generating a transaction record using the merchant transaction data and the consumer transaction data.

Claim 8 was rejected based upon the same combination and same motivation discussed above with respect to claim 1. Claim 8, as amended, recites a transaction processor that processes merchant data from a merchant terminal and consumer data from

a consumer data receiver to generate a transaction record and access a financial account.

For the purposes of this response, these are the same limitations discussed above with respect to claim 1. Accordingly, for at least the same reasons as set forth above with respect to claim 1, the Applicant respectfully submits that claim 8, as amended, is patentable over the prior art.

Discussion Re: Patentability of Claims 9 and 10

Claims 9 and 10 depend from claim 8 and include the limitations discussed above with respect to claim 8 and additional limitations. Claims 9 and 10 were also rejected based upon a combination of Kumar and Swartz. Accordingly, for at least the same reasons set forth above with respect to claim 8, claims 9 and 10 are patentable over the prior art.

Discussion Re: Patentability of Claim 24

1. Claim 24

Claim 24, as amended, recites:

A system for supporting consumer transactions billed to an account through a cellular telephone comprising:

- a merchant data receiver for receiving merchant transaction data from a merchant terminal at a transaction site over a first communications link;
- a consumer data receiver for receiving an incoming call from a consumer cellular telephone at the transaction site over a second communications link and for receiving consumer transaction data from the consumer cellular telephone; and
- a transaction processor for processing the merchant transaction data and the consumer transaction data to access a financial account so that approval for a transaction at the transaction site may be obtained.

Claim 24 was rejected based upon the same combination and same motivation discussed above with respect to claim 1. Claim 24, as amended, recites a transaction

processor that processes merchant data from a merchant data receiver and consumer data from a consumer data receiver to access a financial account. For the purposes of this response, these are the same limitations, with the omission of a transaction record, discussed above with respect to claim 1. Accordingly, for at least the same reasons as set forth above with respect to claim 1 other than the discussion of a transaction record, the Applicant respectfully submits that claim 24, as amended, is patentable over the prior art.

Discussion Re: Patentability of Claim 4

1. Claim 4

Claim 4 states:

A terminal for supporting consumer transactions billed through an account through a cellular telephone comprising:
a transaction data generator for generating transaction data; and
a transaction data display for displaying the generated transaction data with a telephone number so that a consumer may call the telephone number to bill a transaction corresponding to the generated transaction data to an account associated with a cellular telephone number.

Claim 4 thus recites a terminal with a display that allows a user to view a telephone number to call in order to pay for a product using an account associated with a cellular telephone number.

2. There is No Motivation for the Proposed Modification

The Examiner has admitted that Lun Yip fails to disclose each element of claim 4 but alleged that the missing element could be found in Silberberg. (Office Action at page 8). Respectfully, the proposed modification renders Lun Yip unsatisfactory for its intended purpose. Therefore, there is no motivation for the proposed modification.

Specifically, the Examiner has proposed displaying a telephone number at a POS terminal for a customer to call to charge a payment to an account. (Office Action at page 9). In accordance with the Examiner's proposed modification, the customer would approach the POS terminal, observe the displayed telephone number, dial the telephone number and then enter a PIN.

The stated object of Lun Yip, however, is to "provide that a user can debit his or her bank account with complete security and without having the PIN being observable at the terminal at which the transaction takes place. (Lun Yip at paragraph 14). Lun Yip accomplishes this by a method wherein a user uses "a quiet aisle in the supermarket to complete the login process and double check[s] to make sure no one is close enough to watch the entry of the PIN." (Lun Yip at paragraph 46). In accordance with Lun Yip, the user then has a specified period of time to approach a register and complete a transaction. (Lun Yip at paragraph 47). In this manner, the system of Lun Yip ensures that a PIN is not entered at the terminal.

Therefore, the proposed modification of Lun Yip, to display the telephone number at the POS terminal to thereby initiate the login sequence at the POS terminal, renders Lun Yip unsatisfactory for its stated purpose of eliminating the entry of a PIN at a POS terminal.

If a proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900 (Fed. Cir. 1984). Accordingly, there is no suggestion or motivation for the proposed modification of Lun Yip as proposed by the Examiner. Because there is no suggestion or motivation for the

proposed combination, a *prima facie* case of obviousness has not been made and the rejection of claim 4 under 35 U.S.C. § 103(a) should be withdrawn.

Discussion Re: Patentability of Claims 5-7

Claims 5-7 depend from claim 4 and were rejected based upon the combination of Lun Yip and Silberberg as discussed above with respect to claim 4. Accordingly, for at least the same reasons set forth above with respect to claim 4, claims 5-7 are patentable over the prior art.

Discussion Re: Patentability of Claim 15

1. Claim 15

Claim 15, as amended, recites:

A method for supporting payment of a consumer transaction through an account associated with a cellular telephone comprising:
displaying a telephone number at a transaction site using a merchant display;
establishing a communications link including the consumer cellular telephone using the displayed telephone number;
receiving consumer cellular telephone data from the communications link including the consumer cellular telephone;
generating a transaction record from merchant transaction data and the consumer cellular telephone data;
querying for payment through an account associated with the cellular telephone data using the generated transaction record; and
generating an approval code in correspondence with a response to the query for payment through the account associated with the cellular telephone data.

Claim 15 was rejected based upon the same combination and same motivation discussed above with respect to claim 4. Claim 15, as amended, recites that the communications link including the cellular telephone associated with the consumer is established using a telephone number displayed by a merchant display. As discussed above, with respect to claim 4, the invention of Lun Yip requires establishing a

communications link including a cellular telephone *prior* to initiating the transaction, preferably in a store aisle. Accordingly, because there is no motivation to modify Lun Yip to establish the communications link with the consumer cellular telephone *at the merchant display* for at least the same reasons as set forth above with respect to claim 4, the Applicant respectfully submits that there is no motivation for the proposed modification.

Therefore, because the Examiner has conceded that Lun Yip fails to disclose each element of claim 15, the Applicant respectfully submits that claim 15 is patentable over the prior art.

Discussion Re: Patentability of Claims 16-17 and 19-20

Claims 16-17 and 19-20 depend from claim 15 and were rejected based upon the combination of Lun Yip and Silberberg as discussed above with respect to claim 15. Accordingly, for at least the same reasons set forth above with respect to claim 15, claims 16-17 and 19-20 are patentable over the prior art.

Discussion Re: Patentability of Claim 21

1. Claim 21

Claim 21, as amended, recites:

A method of processing data used to obtain approval for a payment associated with a transaction comprising:
receiving from a merchant terminal at a transaction site merchant transaction data;
receiving from a cellular telephone associated with a consumer at the transaction site, through a communications link established during the transaction, consumer transaction data identifying the transaction;
correlating the received merchant transaction data and the received consumer transaction data identifying the transaction; and

using the correlated data to obtain approval to charge a payment associated with the transaction to an account associated with the cellular telephone.

Claim 21 was rejected based upon the same combination and same motivation discussed above with respect to claim 4. Claim 21, as amended, recites that the communications link including the cellular telephone associated with the consumer is established *during* a transaction. As discussed above, with respect to claim 4, the invention of Lun Yip requires establishing a communications link including a cellular telephone *prior* to initiating the transaction. Accordingly, because there is no motivation to modify Lun Yip to establish the communications link with the consumer cellular telephone *during* the transaction for at least the same reasons as set forth above with respect to claim 4, the Applicant respectfully submits that there is no motivation for the proposed modification.

Therefore, because the Examiner has conceded that Lun Yip fails to disclose each element of claim 21, the Applicant respectfully submits that claim 21 is patentable over the prior art.

Discussion Re: Patentability of Claim 23

Claim 23 depends from claim 21 and was rejected based upon the combination of Lun Yip and Silberberg as discussed above with respect to claim 21. Accordingly, for at least the same reasons set forth above with respect to claim 21, claim 23 is patentable over the prior art.

Discussion Re: Patentability of Claims 11-14

Claims 11-14 depend from claim 8 and include the limitations discussed above with respect to claim 8 and additional limitations. Claims 11-14 were rejected primarily based upon a combination of Kumar and Swartz with further reference to Lun Yip and Silberberg for the limitations added by claims 11-14. Accordingly, the proposed modification with Lun Yip and Silberberg fail to correct the deficiencies in the proposed combination of Kumar and Swartz as discussed above with respect to claim 8. Therefore, the Applicant respectfully submits that claims 11-14 are patentable over the prior art.

Discussion Re: Patentability of Claim 25

Claim 25 depends from claim 24 and includes the limitations discussed above with respect to claim 24 and additional limitations. Claim 24 was rejected primarily based upon a combination of Kumar and Swartz with further reference to Lun Yip and Silberberg for the limitation added by claim 25. Accordingly, the proposed modifications with Lun Yip and Silberberg fail to correct the deficiencies in the proposed combination of Kumar and Swartz as discussed above with respect to claim 24. Therefore, the Applicant respectfully submits that claim 25 is patentable over the prior art.

Discussion Re: Patentability of Claim 22

Claim 22 depends from claim 21 and includes the limitations discussed above with respect to claim 21 and additional limitations. Claim 22 was rejected primarily based upon a combination of Lun Yip and Silberberg with further reference to Kumar for the limitation added by claim 22. Accordingly, the proposed modification with Kumar

fails to correct the deficiencies in the proposed combination of Lun Yip and Silberberg as discussed above with respect to claim 2. Therefore, the Applicant respectfully submits that claim 22 is patentable over the prior art.

III. Conclusion

Applicant respectfully requests entry of the amendments and favorable consideration of the application.

A prompt and favorable action on the merits is requested.

Respectfully Submitted,



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